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C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 001543

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TAGS: [PGOV](#) [CA](#)

SUBJECT: LIBERALS RALLYING BEHIND MICHAEL IGNATIEFF AS
LEADER

REF: A. OTTAWA 1538

[1](#)B. OTTAWA 1536

Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

[1](#)1. (C) Summary. With unexpected speed, the Liberal Party has crowned Michael Ignatieff as its new interim leader. This will position the Liberals better to face the next session of Parliament beginning January 26, including debates over the 2009 budget as well as even a possible election sooner rather than later in 2009. Ignatieff demonstrated a tough guy approach against Prime Minister Harper's style and policies in his first press conference on December 10, and indicated that a coalition government would be possible in 2009 if the Governor General turned to him. Public rhetoric aside, both the Liberals and Conservatives will face tough strategic choices over whether or how much actively to collaborate on the now all-important budget, approval of which will by definition be a confidence vote. Clearly, as lively as Canadian politics became in 2008, there will still be plenty of drama unfolding in 2009 as well. End Summary.

[1](#)2. (SBU) The Liberal Parliamentary caucus (all Liberal Members of Parliament and Senators) met on December 10 and formally recommended former Deputy Leader Michael Ignatieff as the new interim leader, replacing Stephane Dion (ref b). In a long absent sign of internal unity, leadership rival in both 2006 and 2008 Bob Rae nominated Ignatieff, with former 2008 leadership rival Dominic LeBlanc seconding him. With unexpected speed, the Liberal National Executive -- having suddenly finished its telephone and email canvassing of about eight hundred other party representatives nationwide -- "unanimously" endorsed this choice within hours. Ignatieff will technically remain the leader-designate until delegates to the Liberal national convention formally vote him in as the next leader in Vancouver on May 2.

[1](#)3. (C) In a press conference later on December 10, Ignatieff came out guns a-blazing against Prime Minister Stephen Harper, who had "lost the confidence of the House" by his "divisive," "spiteful," "polarizing," and "unproductive" tactics in creating a parliamentary crisis and in attempting to turn it into a national unity crisis at a time of genuine economic crisis. He insisted that PM Harper should not misunderstand the "depth of righteous anger of the opposition parties," and reiterated several times that PM Harper should remember that there was a coalition that would be prepared to take over government if the Governor General requests (while declining to confirm that this would be his preferred approach). He said that future cooperation on the budget and other issues was up to the Prime Minister, "who knows where to find me," while ruling out "negotiations" on the budget, especially since he had "no confidence in the figures" that the government had provided. He commented that it would be irresponsible to decide whether or not to support the 2009 without having read it first. He claimed that the Liberals were now "united, strong, and ready to provide leadership" and would not "let you down." He described his dream of regaining support for the Liberal Party in rural and western

Canada.

¶4. (C) At a small farewell dinner by the Canada-U.S. Interparliamentary Group in honor of Ambassador Wilkins on December 9, members of the Liberal caucus expressed relief that the leadership race was essentially over, underscoring the vital importance of having a new leader (interim or other) in place when Parliament resumes on January 26. (They also indicated their hope that Dion would now fade back into Qalso indicated their hope that Dion would now fade back into academic obscurity, either by resigning his seat if there is no imminent election or by not seeking re-election if there is.) They noted lingering caucus concerns that the new interim leader could potentially face leading the party in an election early in 2009 if the Conservatives present an "unacceptable" budget and force a vote of confidence for the government to lose. Whether or not to cooperate with the New Democratic Party in the face of such a vote has prompted a new Liberal mantra, especially in light of Ignatieff's perceived coolness toward the idea: "a coalition if necessary but not necessarily a coalition." One Conservative MP at the same event indicated that an early election was a real possibility, calling Prime Minister Stephen Harper's unusual December 9 television interview (ref a) "the first of many" over the coming weeks, as if he were already on the campaign trail. The Liberal and Conservative representatives present alike expressed skepticism that, despite the PM's professed willingness to listen to Liberal ideas in preparing the 2009 budget, many members of either caucus would be willing to remain in Ottawa over the next six weeks for discussions in lieu of returning to their ridings for long-scheduled political and holiday events, however.

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¶5. (C) Comment: Public rhetoric aside, both the Liberals and Conservatives face tough strategic choices over whether or how much actively to collaborate on the now all-important 2009 budget, approval of which will by definition be a confidence vote. There is broad recognition that voters would likely view with disfavor using the budget as a blunt political weapon when what they want to see will be serious action to remedy the impacts of the world economic crisis. Conservatives might well still prefer to force the Liberals into an election before Ignatieff solidifies his control over the party and rebuilds its morale and finances, as well as to oblige him either explicitly to reject the unpopular coalition concept or to ratify it. PM Harper seems to be pursuing the former approach, as he continues to demonize the Bloc Quebecois and to deride the NDP's lack of governing experience in contrast to the historical governing role of the Liberals. The Liberals probably will end up playing for time, with an option of voting against the government on the budget but in insufficient numbers (i.e., assuming all 143 Conservative MPs vote in favor and all 49 Bloc MPs and 37 NDP MPs vote against, only about 20 Liberal MPs would have to miss the vote to ensure a Conservative victory). Clearly, as lively as Canadian politics became in 2008, there will still be plenty of drama unfolding in 2009 as well.

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